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DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

MINUTES OF THE
November 17, 2016
MOBILITY STAKEHOLDER GROUP (MSG) MEETING

Sacramento Public Library
 Tsakopoulos Library Galleria
 828 I Street
 Telephone: (916) 264-2700

Executive Law Offices
 3175-E Sedona Court
 Ontario, CA 91764
 Telephone: (909) 291-2435 ext. 202

CALL TO ORDER

Jose Campos, CPA, Chair, called the meeting of the MSG to order at 9:05 a.m. on Thursday, November 17, 2016 at the Sacramento Public Library.
 Mr. Campos requested that the roll be called.

MSG Members

Jose A. Campos, CPA, Chair	Present
Joe Petito, Vice Chair	Present
Donald Driftnier, CPA	Present
Dominic Franzella	Present
Ed Howard, Esq.	Present
Michael M. Savoy, CPA	Absent
Stuart Waldman, Esq.	Absent

CBA Members Observing

Katrina L. Salazar, CPA, President
 Alicia Berhow, Vice-President
 Karriann Farrell Hinds, Esq.
 Laurence (Larry) Kaplan
 Leslie LaManna, CPA
 Jian Ou-Yang, CPA

Deidre Robinson
Mark Silverman, Esq.
Kathleen Wright, Esq., CPA

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Aaron Bone, Information and Planning Officer
Veronica Daniel, Acting Chief, Licensing Division
Dominic Franzella, Chief, Enforcement Division
Cindi Fuller, Licensing Manager
Suzanne Gracia, Examination Coordinator
Jennifer Jackson, Renewal and Continuing Competency Coordinator
Alegra Keith, Executive Secretary
Nooshin Movassaghi, Legislative Analyst
Dorothy Osgood, Enforcement Supervising Investigative CPA
Rebecca Reed, Board Relations Analyst
Corey Riordan, Enforcement Manager
Benjamin Simcox, Enforcement Manager
Kristy Schieldge, Legal Counsel, DCA
Carl Sonne, Deputy Attorney General, Department of Justice
Matthew Stanley, Information and Planning Officer
Janet Zimmer, Acting Examination and Initial Licensing Unit Manager

Other Participants

Joanna Bolsky, Chair, Qualifications Committee
Jeffrey De Lyser, CPA, Vice-Chair, Peer Review Oversight Committee
Jason Fox, California Society of Certified Public Accountants
Edwin G. Jolicoeur, CPA, Pacific Regional Director, National Association of State Boards of Accountancy
Shelly Jones, Board and Bureau Relations Manager, DCA
Robert Lee, Chair, Peer Review Oversight Committee
Pilar Oñate-Quintana, The Oñate Group
Joe Petito, The Accountants Coalition
Joseph Rosenbaum, CPA, Chair, Enforcement Advisory Committee
Jon Ross, KP Public Affairs

- I. Approve Minutes of the September 15, 2016 MSG Meeting.

It was moved by Mr. Howard, and seconded by Mr. Petito to approve the minutes of the September 15, 2016 MSG Meeting.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Mr. Howard, and Mr. Petito.

No: None

Abstain: None

Absent: Mr. Savoy and Mr. Waldman.

The motion passed.

- II. The Mobility Stakeholder Group Decision Matrix and Stakeholder Objectives.

Mr. Campos indicated this item is a written report only.

- III. Discussion and Possible Action Regarding Timeline for Activities Regarding Determinations to be Made for Out-of-State Practitioners Pursuant to Business and Professions Code Section 5096.21.

The Chair provided an overview of the CBA-approved assessment process consistent with the timelines set forth by statute.

Ms. Movassaghi reported the primary change in the timeline was the removal of references to Phase II since all states are substantially equivalent to NASBA's Guiding Principles of Enforcement with a few states left to add Internet disciplinary disclosure.

It was moved by Mr. Petito, and seconded by Mr. Howard that the CBA adopt the revised timeline.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Mr. Howard, and Mr. Petito.

No: None

Abstain: None

Absent: Mr. Savoy and Mr. Waldman.

The motion passed.

- IV. Discussion Regarding the Assessment of the National Association of State Boards of Accountancy's Process for Evaluating and Information Gathering Regarding Accountancy Board of Operations for Georgia and Utah.

Ms. Movassaghi stated that at the September 2016 meeting, the CBA directed staff to conduct the assessment of NASBA's findings regarding Georgia and Utah's enforcement programs, applying the same CBA approved process as for the previous two assessments.

On October 4, 2016, via Skype, staff conducted this assessment using the same method as in the previous two assessments. NASBA provided a summary of each

state's enforcement practice, followed by staff asking one question at random, from each section of the State Information Sheet, to validate NASBA's data.

Ms. Movassaghi indicated that based on the results of the assessment and the verification of the availability of disciplinary information on the Internet, staff were satisfied with NASBA's identification of Georgia and Utah as substantially equivalent to NASBA's Guiding Principles of Enforcement.

After the presentation, Mr. Howard inquired about staff's access to NASBA's raw information during the assessment. Staff reported that in all three assessments, they had the opportunity to see the raw information. Furthermore, if staff were not satisfied with NASBA's answer to a question, they were able to ask follow-up questions regarding the raw information and the process used to gather that information. Ms. Movassaghi stated that staff followed the CBA approved process during the assessment and were satisfied with NASBA's finding of Georgia and Utah as substantially equivalent to its Guiding Principles of Enforcement.

Mr. Campos stated that the framework the MSG established before the first assessment, which the CBA adopted, provided flexibility in sampling, and staff used this with each assessment as directed by the MSG.

No action was taken by the MSG on this agenda item.

V. Discussion and Possible Action Regarding the Recommended Findings of the National Association of State Boards of Accountancy Related to Business and Professions Code Section 5096.21 (c).

Ms. Movassaghi reported that NASBA currently identifies 45 jurisdictions as substantially equivalent to their Guiding Principles of Enforcement.

She continued that only 10 states have been identified as substantially equivalent with no disciplinary flag on the Internet. No jurisdiction remains undetermined. NASBA is continuing its work with the 10 states to post their disciplinary information on the Internet by the end of 2017.

Mr. Campos recommended that a reference list of all enforcement contacts from the other states should be compiled and kept up to date.

It was moved by Mr. Petito, and seconded by Mr. Howard that the CBA determine Alaska, Delaware, District of Columbia, Georgia, Maine, Mississippi, New Mexico, Utah, and West Virginia to be substantially equivalent to NASBA's Guiding Principles of Enforcement.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Mr. Howard, and Mr. Petito.

No: None

Abstain: None

Absent: Mr. Savoy and Mr. Waldman.

The motion passed.

VI. Discussion and Possible Action Regarding the Draft Mobility Stakeholder Group 2016 Annual Report.

Mr. Bone reported that this item allowed the MSG an opportunity to discuss and propose changes to the Draft MSG 2016 Annual Report. He continued that the MSG annual report describes the actions and activities the MSG undertook in 2016 to ensure compliance with California's practice privilege laws, while continuing its mission of consumer protection.

Mr. Bone stated that the 2016 Report included the following:

- Message from the Chair
- Background of Mobility
- MSG Responsibilities
- MSG Members
- Legislative and Regulatory Changes to Mobility
- Program Overview
- Statistics for the Mobility Program
- Meetings and Activities; and
- Future Considerations

Mr. Bone indicated that the statistics provided in the attached Draft 2016 MSG Annual Report are through September 30, 2016. He also stated that the statistics will be updated at the end of the calendar year and included in the final version of the report.

He continued that highlights from the report include:

- The MSG directed three rounds of state assessments, totaling 15 percent of all states; and
- The MSG recommended and CBA approved 36 states as substantially equivalent to NASBA's Guiding Principles of Enforcement.

During the meeting, the MSG directed staff to add more details about the three assessments of NASBA's findings, in preparation of potential questions from the Legislature in 2018, at which time the final MSG report is due.

Mr. Bone stated that staff will incorporate all comments and edits into the final version of the MSG annual report and present it at the January 2017 CBA meeting.

No action was taken by the MSG on this agenda item.

VII. Discussion Regarding the National Association of State Boards of Accountancy's Activities and CPAVerify.

Ms. Movassaghi stated that NASBA held its 109th Annual Meeting October 30 – November 2, in Austin, TX. Some of the major topics on the agenda included:

- Presentation regarding the results of enforcement initiatives in California and other jurisdictions
- Discussion panels that addressed preparation for the next version of the Uniform CPA Exam
- Evaluating accreditation and state boards.

She indicated that at this time there are 51 jurisdictions participating in ALD and CPAVerify.

Four states – Delaware, Hawaii, Utah, and Wisconsin – are not yet participating in ALD and CPAVerify. It is anticipated Wisconsin will participate in the ALD by the end of 2016.

No action was taken by the MSG on this agenda item.

VIII. Discussion Regarding Proposed Agenda Items for the Next Mobility Stakeholder Group Meeting.

The MSG stated that the first topic for the next MSG would be to further review any additional states identified by NASBA as substantially equivalent.

The second topic would be the final MSG 2016 Annual Report.

IX. Public Comments.

No public comments were received.

There being no further business, the meeting adjourned at 9:45 a.m.